

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 AF-10 ARA-06
NEA-10 AGR-05 L-03 FRB-03 OMB-01 ITC-01 SP-02
USIA-06 AID-05 CIAE-00 COME-00 INR-07 LAB-04
NSAE-00 OIC-02 EPG-02 SIL-01 STR-04 TRSE-00
CEA-01 /113 W

-----171412Z 037120 /42

R 160900Z MAY 77
FM USMISSION GENEVA
TO SECSTATE WASHDC 7416
INFO AMEMBASSY BRAZILIA
AMEMBASSY CANBERRA
AMEMBASSY OTTAWA
BUENOS AIRES 866
SANTO DOMINGO 170
AMEMBASSY TOKYO

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E.O. 11652: NA
TAGS: UNCTAD, ETRD
SUBJ: SUGAR NEGOTIATIONS: INFORMAL IMPORTER POSITION PAPER
OF PRICE STABILIZATION MECHANISM

1. SUMMARY: FOLLOWING IS INFORMAL POSITION PAPER PREPARED
BY US, CANADA AND JAPAN REPRESENTATIVES, AND PRESENTED TO
MAJOR IMPORTERS ON MAY 14; COMMENTS ON MEETING TO BE FURNISHED
SEPTTEL.

2. BEGIN TEXT: PRICE STABILIZATION MECHANISM

1. INITIAL EXPORT SHARES

-- SHALL BE DETERMINED WITH REFERENCE TO

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(A) HISTORIC EXPORT DATA
(B) CURRENT DATA AND SHORT-TERM EXPORT AVAILABILITY ESTIMATES
(C) CONSULTATION AMONGST EXPORTERS AND IMPORTERS

2. ADJUSTMENT IN QUOTA SHARES

(A) QUOTA SHARES SHALL REMAIN CONSTANT FOR FIRST TWO YEARS

OF AGREEMENT.

(B) THEREAFTER QUOTA SHARES SHALL BE ADJUSTED ANNUALLY ON BASIS OF EXPORT PERFORMANCE.

(C) IN THIRD YEAR OF AGREEMENT QUOTA SHARES ADJUSTED ON BASIS OF BEST EXPORT YEAR OF TWO YEARS.

(D) IN SUBSEQUENT YEARS ADJUSTMENTS SHALL BE MADE ON BEST 2 OF 3 YEAR PERFORMANCE.

3. MINIMUM STOCKS

EXPORTERS WILL HOLD MINIMUM STOCKS, VERIFIED AND PHYSICALLY INSPECTED, TOTALLING 4 MILLION TONS. SUCH STOCKS SHALL BE ACCUMULATED ON A SCHEDULED BASIS WHEN PREVAILING PRICES ARE BELOW X PLUS 4. STOCK RELEASES WILL BE DONE IN 3 "TRANCHES" AT X PLUS 8, X PLUS 9, X PLUS 10.

4. SUPPLY COMMITMENT

-- THERE WILL BE A SUPPLY COMMITMENT PROVISION TRIGGERED AT X PLUS 12.

5. NON-MEMBER SUGAR

-- IMPORTERS WILL AGREE TO LIMIT IMPORTS FROM NON-MEMBERS TO HISTORICALLY AVERAGE LEVELS ONLY WHEN QUOTAS ARE IN EFFECT. SUCH LIMITATIONS WOULD APPLY TO NON-MEMBER IMPORTS AS A GROUP.

6. SHORTFALLS

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-- SHALL BE AUTOMATICALLY REDISTRIBUTED UNLESS, WHEN PREVAILING PRICE IS BELOW X PLUS 2, THE COUNCIL SHOULD DECIDE OTHERWISE.

7. GLOBAL QUOTA SYSTEM

-- THE COUNCIL SHALL BE ABLE TO KEEP GLOBAL QUOTA UNDER CONSTANT REVIEW, AND BY COUNCIL DECISION TO ADJUST THE GLOBAL QUOTA SHOULD THIS BE SO INDICATED. IN ANY CASE, FAILURE OF SUCH VOLUNTARY ADJUSTMENTS, WOULD PLACE INDICATED ACTIONS ON AN AUTOMATIC BASIS.

8. SCOPE AND TRANSPARENCY

-- THE INTEGRITY OF THE AGREEMENT REQUIRES THAT SPECIAL ARRANGEMENTS DO NOT HAVE A DESTABILIZING EFFECT ON THE FREE MARKET.

-- FULL INFORMATION WILL BE REQUIRED ON A TIMELY BASIS OF THE EXACT DETAILS OF SPECIAL ARRANGEMENT PROVISIONS INCLUDING

NOTIFICATIONS, WHEN THESE ARRANGEMENTS ARE EXCEEDED OR SHORT-
FALLED.

-- AT THE SAME TIME, DISCIPLINES AND OBLIGATIONS WITH RESPECT
TO EXPORTS BY IMPORTERS OF SPECIAL ARRANGEMENT SUGAR WILL BE
REQUIRED AT A HIGHER LEVEL THAN IN FORMER AGREEMENTS. END TEXT.
SORENSEN

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 16-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
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